

designated by the Commission; 2) multiplied by the difference between the revenues received for basic local exchange service, unless the Commission determines a benchmark price should be substituted, and all other sources of support, including, but not limited to Federal USF, low interest Rural Utility Service loans, rent compensation, and Yellow Page Directory compensation; and, 3) a per line proxy cost, as determined by the Commission.

723-41-9.5 Process.

723-41-9.5.1 Each month, on or before the 15th, each Eligible Provider shall provide the Administrator with an accounting of the number of residential access lines and the number of business access lines that the provider served in each Geographic Support Area as of the last day of the preceding month.

723-41-9.5.2 The Administrator shall make monthly disbursements from the CHCF after receipt of the monthly net assessments pursuant to Rule 7.2.4.

RULE 4 CCR 723-41-10. ADMINISTRATION. The CHCF shall be under the direction of an Administrator.

723-41-10.1 The Commission, or its designee, shall be the Administrator of the CHCF.

723-41-10.2 The reasonable expenses incurred in the administration of the fund shall be recovered from the CHCF.

723-41-10.3 The Administrator shall determine the assessment each telecommunications provider must pay into the CHCF and determine the disbursement each Eligible Provider may withdraw from the CHCF.

723-41-10.4 The Administrator shall net each provider's assessment and disbursement prior to receipt or disbursement of actual funds.

723-41-10.5 To the extent the funding received from providers in any one fiscal year exceeds: 1) the disbursements required for the CHCF, plus 2) the cost of administering the CHCF (including such reserve as may be necessary for the proper administration of the CHCF), any unexpended and unencumbered moneys shall remain in the CHCF and shall be credited

against the assessment each telecommunications service provider must pay in the succeeding fiscal year.

723-41-10.6 The Administrator shall engage and determine the compensation for such professional and technical assistance as may, in its judgment, be necessary for the proper administration of the fund.

723-41-10.7 The Administrator shall operate on a fiscal year which runs from July 1 to June 30 of the succeeding year.

723-41-10.8 The CHCF records covering both collections and disbursements shall be audited at the end of fiscal year 1997-1998 by an independent external auditor chosen by the Commission. The costs for conducting audits shall be included in the computation of CHCF requirements. Thereafter, the CHCF shall be audited in the same manner at least once every other year.

723-41-10.9 An annual report prepared by the Administrator shall be filed with the Commission by October 1 of each year. This report shall summarize the preceding fiscal year's activity and contain the following:

723-41-10.9.1 a statement of CHCF collections and disbursements,

723-41-10.9.2 a record of the total cost of administration of the CHCF, and

723-41-10.9.3 the most recent audit report.

723-41-10.10 A copy of the Administrator's annual report shall be provided to the Legislative Audit Committee and to each telecommunications service provider who contributes to the CHCF.

RULE 4 CCR 723-41-11. REVIEW OF THE COLORADO HIGH COST FUND. The CHCF will be evaluated and reviewed no later than July 1, 1999, and at least every three years thereafter, for the purpose of determining whether the CHCF should be adjusted.

RULE 4 CCR 723-41-12. BASE RATE AREA SUBSIDIES. If there are areas, as of July 1, 1996, that are receiving subsidies within a provider's base rate area, as determined by the Commission, such areas may continue, at the Commission's discretion, to receive subsidies or be eligible for funding under the CHCF after July 1, 1996.

RULE 4 CCR 723-41-13. ENFORCEMENT.

723-41-13.1 Holder of a Certificate. A telecommunications service provider holding a certificate issued by this Commission that fails to pay, in a timely manner, an assessment due and payable under these Rules may, after notice and opportunity for hearing, have its certificate revoked as provided in Article 6 of Title 40 of the Colorado Revised Statutes (C.R.S.).

723-41-13.2 Uncertificated Provider. A telecommunications service provider that: 1) does not hold a certificate from this Commission and 2) fails to pay its assessment when it is due and payable under these Rules may be subject to a Commission action including but not limited to a complaint: 1) to the Federal Communications Commission (FCC) seeking an order directing the delinquent provider to make the payment; or 2) for damages in a Colorado District Court.

RULE 4 CCR 723-41-14. SOCIAL PROGRAMS. These Rules are not intended to limit or conflict with the Rules for Telecommunications Relay Service for the Disabled Telephone Users (4 CCR 723-28) or the Procedures for Administering the Low Income Telephone Assistance Fund (4 CCR 723-13).

RULE 4 CCR 723-41-15. VARIANCE AND WAIVER. The Commission may permit variance or waiver from these Rules, if not contrary to law, for good cause shown if it finds that compliance is impossible, impracticable or unreasonable.

RULE 4 CCR 723-41-16. INCORPORATION BY REFERENCE. References in these Rules to Parts 32, 36, 64, and 69, are rules issued by the FCC and have been incorporated by reference in these Rules. These rules may be found at 47 CFR Parts 32, 36, 64, and 69, revised

as of October 1, 1995. References to Parts 32, 36, 64, and 69 do not include later amendments to or editions of those parts. A certified copy of these parts which have been incorporated by reference are maintained at the offices of the Colorado Public Utilities Commission, 1580 Logan Street, OL-2, Denver, Colorado 80203 and are available for inspection during normal business hours. Certified copies of the incorporated rules shall be provided at cost upon request. The Director of the Public Utilities Commission, or his designee, will provide information regarding how the incorporated rules may be obtained or examined. These incorporated rules may be examined at any state publications depository library.

4 CCR 723-41-PART II

RULE 4 CCR 723-41-17. CALCULATION OF AVERAGE LOOP, LOCAL SWITCHING, AND EXCHANGE TRUNK COSTS FOR FUND SUPPORT.

723-41-17.1 The averages used in calculating CHCF support in this Part II will be computed on the basis of the data reported per this Rule 17 for the preceding calendar year which may be updated at the option of the Small LEC pursuant to 47 CFR 36.612(a).

723-41-17.2 Each basic local exchange provider shall calculate and report its average unseparated loop cost per study area per working loop as prescribed by 47 CFR 36.621, and 36.622 in its Annual Report as required by Rule 25 of the Commission's Rules of Practice and Procedure (4 CCR 723-1) (Annual Report).

723-41-17.3 The national average unseparated loop cost per working loop shall be as calculated by the National Exchange Carrier Association, as prescribed by 47 CFR 36.622(a)(1).

723-41-17.4 Each Small LEC shall calculate and report, in its Annual Report, its unseparated investment per study area for: 1) local switching equipment (Central Office Equipment, Category 3, [47 CFR 36.125]), and 2) its average number of working loops.

723-41-17.5 Each Small LEC shall calculate and report, in its Annual Report, its unseparated investment per study area for exchange trunk equipment (Cable and Wire Facilities,

Category 2, Exchange Trunk, [47 CFR 36.155], and Category 4.12, Exchange Trunk Circuit Equipment [47 CFR 36.126(c)(2)]).

723-41-17.6 The State average unseparated local switching equipment investment per working loop shall be calculated by dividing the sum of the local switching equipment investments in the State, as reported pursuant to Rule 17.4, for all LECs, except Small LECs as determined by the Staff of the Commission, by the sum of the working loops in the State, as reported in Rule 17.4, and for all LECs, except Small LECs as determined by the Staff of the Commission. The State average unseparated exchange trunk equipment investment per working loop shall be calculated by dividing the sum of the exchange trunk equipment investments in the State, as reported pursuant to Rule 17.5, and for all LECs, except Small LECs as determined by the Staff of the Commission, by the sum of the working loops in the State, as reported in Rule 17.4, and for all LECs, except Small LECs as determined by the Staff of the Commission.

723-41-17.7 In its Annual Report, each Small LEC shall report to the Administrator of the CHCF the count for each month of access lines for that twelve month period that were subject to the surcharge of Rule 18.6.4.2 and the amounts collected. The count shall include all residential, business, concession and paystations access lines. Special access, private or dedicated circuits, and company official lines shall be excluded from the count.

723-41-17.8 In its Annual Report each Small LEC shall report to the Administrator of the CHCF the estimated average number of working loops for the next year.

723-41-17.9 Further reporting requirements may be determined by the Commission.

RULE 4 CCR 723-41-18. TRANSITIONAL COLORADO HIGH COST FUND SUPPORT FOR SMALL LECs. During the transition period, Small LECs, who are not Average Schedule Small LECs, shall be eligible, upon proper showing, for support from the CHCF for high costs in three areas: a) loops, b) local switching, and 3) exchange trunks. Average Schedule Small LECs shall be eligible, upon proper showing, for support from the CHCF for high costs as determined by Rule 18.6.1.

723-41-18.1 SUPPORT FOR HIGH LOOP COSTS.

723-41-18.1.1 The CHCF revenue requirement for high loop costs of Small LECs who are not Average Schedule Small LECs shall be determined as follows:

723-41-18.1.1.1 For Small LECs reporting an average unseparated loop cost per working loop less than or equal to 115 percent of the national average for this cost, the CHCF revenue requirement for high loop costs shall be the sum of: a) zero (0); and b) the difference between 0.265 and twice the Small LEC's intrastate interexchange SLU, (if greater than zero), times the LEC's average unseparated loop cost per working loop for this cost.

723-41-18.1.1.2 For Small LECs reporting an average unseparated loop cost per working loop in excess of 115 percent of the national average for this cost but not greater than 150 percent of the national average for this cost, the CHCF revenue requirement for high loop costs will be the sum of: a) the difference between the Small LEC's average unseparated loop cost per working loop and 115 percent of the national average for this cost, times 0.10; and b) the difference between 0.265 and twice the Small LEC's intrastate interexchange SLU, (if greater than zero), times 115 percent of the national average for this cost.

723-41-18.1.1.3 For small LECs reporting an average unseparated loop cost per working loop greater than 150 percent of the national average for this cost, the CHCF revenue requirement for high loop costs will be the sum of: a) the difference between 150 percent of the national average unseparated loop cost per working loop and 115 percent of the national average for this cost, times 0.10; and b) the difference between 0.265 and twice the Small LEC's intrastate interexchange SLU, (if greater than zero) times 115 percent of the national average for this cost.

723-41-18.2 SUPPORT FOR HIGH LOCAL SWITCHING COSTS.

723-41-18.2.1 Small LECs, who are not Average Schedule Small LECs, shall be eligible for support for high local switching costs. The CHCF revenue requirement for high local switching cost support shall be determined as follows:

723-41-18.2.1.1 For Small LECs reporting an average unseparated local switching equipment investment per working loop less than or equal to the Colorado average as determined by Rule 17.6, for this investment, the CHCF revenue requirement for local switching cost support shall be zero (0).

723-41-18.2.1.2 For Small LECs reporting an average unseparated local switching equipment investment per working loop in excess of the Colorado average as determined in Rule 17.6, for this investment, the revenue requirement for high local switching cost support will be calculated by creating a new service category in the separations study and apportioning the costs of the provider to this service generally following Part 36, CFR. The service category for the CHCF high local switching cost support shall be assigned a portion of Category 3 of local switching equipment investment. The percentage of Category 3 allocated to the CHCF service category shall be known as the Colorado High Local Switching Allocation Factor and shall be calculated as one minus the sum of: (a) the Interstate factor(s), (b) the Intrastate factor(s) of Rule 18.2.2, and (c) the local exchange factor. The local exchange factor for each Small LEC shall be calculated as the: (1) Colorado State average unseparated local switching equipment Category 3 investment per working loop as determined by Rule 17.6, for this investment, (2) multiplied by the Small LEC's local DEM percentage, (3) divided by the Small LEC's average investment per working loop for this investment. In no event shall the Colorado High Local Switching Allocation Factor be less than zero. If, by the application of the formula of this Rule 18.2.1.2, the Colorado High Local Switching Allocation Factor is less than zero, the factors of Rule 18.2.1.2. (b) and (c) above shall be reduced proportionally.

723-41-18.3 SUPPORT FOR HIGH EXCHANGE TRUNK COSTS.

723-41-18.3.1 Small LECs, who are not Average Schedule Small LECs, shall be eligible for support for high exchange trunk costs. The CHCF revenue requirement for high exchange trunk cost support shall be determined as follows:

723-41-18.3.1.1 For Small LECs reporting an average unseparated exchange trunk investment per working loop less than or equal to the Colorado

average as determined by Rule 17.6, for this investment, the CHCF revenue requirement for exchange trunk cost support shall be zero (0).

723-41-18.3.1.2 For Small LECs reporting an average unseparated exchange trunk equipment investment per working loop in excess of the Colorado average as determined in Rule 17.6, for this investment, the revenue requirement for high exchange trunk cost support will be calculated by apportioning the costs of the Small LEC to the CHCF service category, as established in Rule 18.2, of the Small LEC's separations study following 47 CFR Part 36, as modified by the Rules found in Part 2 of Rule 4 CCR 723-27. The service category for the CHCF shall be assigned a portion of Cable and Wire Facilities, Category 2 Exchange Trunk [47 CFR 36.155], and a portion of Category 4.12, Exchange Trunk Circuit Equipment [47 CFR 36.126(c)(2)] investment. The percentage allocated to the CHCF service category shall be calculated separately for each as one minus the sum of (a) the interstate factor(s), for exchange trunk, (b) the intrastate factor(s) for exchange trunk, and (c) the local factor for exchange trunk. The local factor for Category 2 exchange trunk of Cable and Wire Facilities, for each Small LEC shall be calculated as the Colorado State average unseparated investment per working loop as determined by Rule 18.6, for this investment, times the Small LEC's local relative number of minutes of use percentage divided by the Small LEC's average investment per working loop for this investment. The local transport allocation factor for Category 4.12 Exchange Trunk Circuit Equipment, for each Small LEC shall be calculated as the Colorado State average unseparated investment per working loop as determined by Rule 17.6, for this investment, times the Small LEC's local relative number of minutes of use percentage divided by the Small LEC's average investment per working loop for this investment.

723-41-18.4 SUPPORT FOR HIGH COSTS OF AVERAGE SCHEDULE SMALL LECS.

723-41-18.4.1 The CHCF support requirement for high cost support for Average Schedule Small LECs shall be determined as the remainder, if positive, of the following process:

723-41-18.4.1.1 First, the total company revenue requirement for the Average Schedule Small LEC shall be determined;

723-41-18.4.1.2 Next, a value known as the "imputed local network services revenues" is calculated by the Administrator, as the average of the local network services revenues, 47 CFR 32.5000 through 32.5069 for all Small LECs who are not Average Schedule Small LECs, but not including any CHCF revenues;

723-41-18.4.1.3 Then, from the revenue requirement of Rule 18.4.1.1 shall be subtracted the revenues derived from each of the following: 1) all interstate activities and USF support; 2) intrastate network access services; 3) long distance network services; 4) all miscellaneous revenues; and 5) the "imputed local network services revenues".

723-41-18.5 LOCAL NETWORK SERVICES TARIFF CAP. In no event shall the local network services revenue requirement, as defined in 47 CFR 32.5000 through 32.5069 (1995), of Small LECs, be in excess of 130 percent of the average, of such revenue requirement for local exchange providers which are not Small LECs. Such excess shall be considered as a part of the Small LECs CHCF support revenue requirement.

723-41-18.6 COLORADO HIGH COST FUND ADMINISTRATION.

723-41-18.6.1 The Commission, acting as Administrator, and pursuant to this Part II of the Rules, shall determine and establish by Order, for each Small LEC, the CHCF support revenue requirement that will be effective for a period of six years beginning with the date of the Order.

723-41-18.6.1.2 At any time, upon the request and proper support as part of a general rate proceeding by a Small LEC, the Commission, acting as Administrator, may revise the CHCF support revenue requirement that will be effective for a period of six years beginning with the date established by order. Further, as a result of a show cause, complaint or other proceeding, the Commission, acting as Administrator, may revise the CHCF support revenue requirement that will be effective for a period of six years beginning with the date established by order.

723-41-18.6.1.2 Once established or revised, no further qualification will be required during the six-year funding period. During the funding period, the amount of CHCF support will be phased down. Funding will be fixed for the first two years (any 12 month period) at 100% of the funding level established. Following the first two years, the support amount will decline and be phased out by year seven. The following is the phase out schedule:

YEAR 1	100%	YEAR 4	65%
YEAR 2	100%	YEAR 5	40%
YEAR 3	82.5%	YEAR 6	20%
		YEAR 7	0%

723-41-18.6.1.3 The Commission may grant a Small LEC's request for waiver from these Rules for good cause shown, pursuant to Rule 15 of these Rules. Any CHCF support amount so granted shall be in the amounts and for the periods expressly approved by Commission order.

723-41-18.6.1.4 During the CHCF funding period, switched access rates for companies receiving CHCF, will be adjusted annually to reflect a sharing of access minute demand growth, which occurred during the most recent 12 month period when compared to the 12 month period immediately preceding for which billed demand data is available. The following percentages of sharing will be used:

Percentage of Annual Demand Growth
(to be used in adjusting access rates)

YEAR 1	N/A	YEAR 4	75%
YEAR 2	75%	YEAR 5	50%
YEAR 3	75%	YEAR 6	50%
		YEAR 7	0%

For each year of the CHCF funding period, the applicable percentage from the above table will be multiplied by the actual change (increase or decrease) in access minute demand for the most recent 12-month period as compared to the previous 12-month period immediately preceding for

which billed demand date is available, to determine the access minute adjustment amount. The amount determined will then be added to or subtracted from the prior 12-month period adjusted switched access minute demand to determine the current period's adjusted access minute demand. The current period's adjusted switched access demand will then be utilized to revise the switched access rate elements using the access revenue requirements for each element, from the base year rate determination. The switched access rate adjustments shall be filed with the Commission with a proposed effective date no later than 60 days following the anniversary of the effective date of the CHCF funding period.

723-41-18.6.1.5 For each Average Schedule Small LEC, a surrogate switched access revenue requirement will be used as the "frozen switched access revenue requirement" as described in Rule 18.6.1.4. This surrogate revenue requirement will be calculated by taking the base year Average Schedule access rates times the base year access demand.

723-41-18.6.2 Each intrastate interexchange carrier (IXC) shall report to the Administrator of the CHCF by May 1st of each calendar year its intrastate interexchange switched minutes of use for the previous calendar year. "Intrastate interexchange carrier" includes intrastate interexchange carriers which are also local exchange service providers. "Switched minutes of use" shall include such services as, but is not limited to: message toll service, WATS, 800 service, but would exclude traffic placed over dedicated private line facilities (i.e. special access arrangements). Further reporting methods will be determined by the Administrator of the CHCF.

723-41-18.6.3 The total fund requirements for all Small LECs combined with such fund administration costs and such reserve requirements will be determined by the Administrator.

723-41-18.6.4 The fund requirements of the CHCF will be provided from two sources:

723-41-18.6.4.1 Intrastate IXCs: One-half of the fund requirement as determined pursuant to Rule shall be funded by a bulk bill to each intrastate IXC.

Each IXC's CHCF bulk bill amount will be based upon the percentage relationship of each IXC's appropriate minutes of use for all intrastate interexchange switched services.

723-41-18.6.4.2 Access lines: One-half of the fund requirement as determined pursuant to Rule shall be funded by a uniform charge per access line. CHCF payments will be based upon the percentage relationship of each LEC's working loops.

723-41-18.6.5 The Commission after determining the CHCF requirement, shall, by appropriate order, impose the uniform charge on each access line, and shall establish the bulk bill amount of each IXC. The Commission, as Administrator, shall endeavor to issue such orders so that the amounts and uniform charge can be adjusted, if necessary, effective July 1 of each year.

APR 12 1996

Attachment B
Decision No. C96-352
DOCKET NO. 95R-558T
4 CCR 723-42
Page 1 of 11

**THE
PUBLIC UTILITIES COMMISSION
OF THE
STATE OF COLORADO**

**RULES PRESCRIBING THE PROCEDURES
FOR DESIGNATING TELECOMMUNICATIONS SERVICE PROVIDERS
AS PROVIDERS OF LAST RESORT
or as an
ELIGIBLE TELECOMMUNICATIONS CARRIER,
4 CCR 723-42**

BASIS, PURPOSE, AND STATUTORY AUTHORITY.

The basis and purpose of these rules is to establish regulations concerning the designation of providers of last resort and the obligations that attach with such a designation. These rules also establish regulations concerning the designation of providers eligible to receive federal universal service assistance.

These rules are clear and simple and can be understood by persons expected to comply with them. They do not conflict with any other provision of law. There are no duplicating or overlapping rules.

The Commission is authorized to promulgate rules generally by Section 40-2-108, C.R.S., and specifically for telecommunications services by Sections 40-15-201 and 40-15-301. The statutory authority for promulgating these rules is further found in Section 40-15-502(6), C.R.S.

Finally, these Rules are consistent with 47 U.S.C. 254.

RULE 4 CCR 723-42-1. APPLICABILITY. These rules are applicable to all telecommunications service providers: 1) designated as a Provider of Last Resort or Eligible Telecommunications Carrier, 2) seeking to be designated as a Provider of Last Resort or Eligible Telecommunications Carrier, or 3) seeking to remove a designation as a Provider of Last Resort or Eligible Telecommunications Carrier.

RULE 4 CCR 723-42-2. DEFINITIONS. The meaning of terms used within these rules shall be consistent with their general usage in the telecommunications industry unless specifically defined by Colorado statute or this rule. If the general usage of terms in the telecommunications industry or the definitions in this rule conflict with statutory definitions, the statutory definitions control. As used in these rules, unless the context indicates otherwise, the following definitions shall apply:

723-42-2.1 Common Carrier. For the purpose of the designation of an Eligible Telecommunications Carrier (ETC), a Common Carrier is a telecommunications provider that offers basic local exchange service to the public on a nondiscriminatory basis.

723-42-2.2 Eligible Telecommunications Carrier. A telecommunications provider that is authorized by this Commission, pursuant to Rule 7, to receive federal universal service support as required by 47 U.S.C 214(e)(2).

723-42-2.3 Geographic Area. A Commission-defined geographic unit usually smaller than an existing provider's wire center serving area.

723-42-2.4 Provider of Last Resort (POLR). A telecommunications provider that is designated by the Commission, pursuant to this Rule, to have the responsibility to offer basic local exchange service to all consumers who request it within a Geographic Area.

723-42-2.5 Rural Telecommunications Provider. A telecommunications provider which meets one of the following five criteria:

723-42-2.5.1 serves only rural exchanges of ten thousand or fewer access lines; or

723-42-2.5.2 provides Common Carrier service to any local exchange carrier study area that does not include either: (a) any incorporated place of 10,000 inhabitants or more, or any part thereof, based on the most recently available population statistics of the Bureau of the Census; or (b) any territory, incorporated or unincorporated, included in an urbanized area, as defined by the Bureau of the Census as of August 10, 1993; or

723-42-2.5.3 provides telephone exchange service, including exchange access, to fewer than 50,000 access lines; or

723-42-2.5.4 provides telephone exchange service to any local exchange carrier study area with fewer than 100,000 access lines; or

723-42-2.5.5 has less than 15 percent of its access lines in communities of more than 50,000 on February 8, 1996.

RULE 4 CCR 723-42-3. DESIGNATION OF PROVIDERS OF LAST RESORT.

723-42-3.1 A telecommunications service provider who holds a certificate of public convenience and necessity (CPCN) to offer basic local exchange service in a Geographic Area on or before July 1, 1996 shall be considered a POLR in those Geographic Areas.

723-42-3.2 Upon application by a provider, the Commission: 1) may, in the case of an area served by a rural telecommunications provider; and 2) shall, in the case of all other areas, permit more than one POLR in a Geographic Area.

723-42-3.3 The Commission shall, upon request by a person within an unserved Geographic Area, or upon its own motion, designate a POLR for that unserved Geographic Area, based upon a determination of the provider best able to provide basic local exchange service to the area.

RULE 4 CCR 723-42-4. APPLICATION FOR DESIGNATION AS AN ADDITIONAL PROVIDER OF LAST RESORT. A telecommunication provider seeking designation as a Provider of Last Resort shall file an application with the Commission requesting designation as a POLR for a specific Geographic Area.

723-42-4.1 Contents of Application. The application shall contain, in the following order and specifically identified, the following information, either in the application or in appropriately identified, attached exhibits:

723-42-4.1.1 Applicant's name and complete address (street, city, state, and zip code), and the name(s) under which the applicant is, or shall be, providing telecommunications service in Colorado;

723-42-4.1.2 A statement identifying the decision(s) of this Commission authorizing the applicant to provide basic local exchange service;

723-42-4.1.3 A statement describing the Geographic Area for which applicant seeks designation as a POLR. If designation for a specific Geographic Area, rather than a statewide designation, is sought, the application shall contain a description of such Geographic Area by metes and bounds and a map displaying the service area;

723-42-4.1.4 An affirmative statement that the applicant will accept the responsibilities identified in Rule 5;

723-42-4.1.5 A statement of the facts (not in the form of conclusory statements) relied upon by the applicant to demonstrate that it has the managerial, financial and technical

ability to provide basic local exchange service throughout that relevant Geographic Area notwithstanding whether there are other providers in that area;

723-42-4.1.6 A statement of the facts (not in the form of conclusory statements) relied upon by the applicant to establish that the POLR designation for that Geographic Area serves the public interest by demonstrating that such designation is consistent with the legislative statements of intent in §§ 40-15-101, 40-15-501 and 40-15-502(7) C.R.S.;

723-42-4.1.7 A statement that the applicant agrees to: (a) answer all questions propounded by the Commission or any authorized member of its staff concerning the application, the subject matter of the application, or any information supplied in support of the application; and (b) permit the Commission or any authorized member of its staff to inspect the applicant's books and records as part of the investigation into the application, the subject matter of the application, or any information supplied in support of the application;

723-42-4.1.8 A statement indicating, if the application is assigned for hearing by the Commission, the town or city where the applicant prefers the hearing to be held and any alternative choices;

723-42-4.1.9 A statement that the applicant understands that the filing of the application does not, by itself, constitute designation as a POLR;

723-42-4.1.10 A statement that, if a designation is granted, applicant understands that such designation is conditional upon compliance with applicable Commission rules and any conditions established by Commission order; and

723-42-4.1.11 An affidavit signed by an officer, a partner, an owner, or an employee, as appropriate, who is authorized to act on behalf of the

applicant, stating that the contents of the application are true, accurate, and correct.

723-42-4.2 Processing of Applications. The Commission will process applications in accordance with the Rules of Practice and Procedure found at 4 CCR 723-1.

RULE 4 CCR 723-42-5. OBLIGATIONS OF PROVIDERS OF LAST RESORT.

723-42-5.1 A POLR has the obligation to:

723-42-5.1.1 Offer basic local exchange service to every customer who requests such service within a designated Geographic Area, regardless of the availability of facilities;

723-42-5.1.2 Be subject to the evolving definition of basic service developed by the Commission pursuant to §40-15-502(2); and

723-42-5.1.3 Advertise the availability of such service and the charges therefore using media of general distribution. At a minimum, a POLR must have customer guide pages in the "White Pages" Directory within the POLR's Geographic Area. Such customer guide pages shall indicate that the provider will offer basic local exchange service to all who request such service within that area.

RULE 4 CCR 723-42-6. REMOVAL OF PROVIDER OF LAST RESORT DESIGNATION.

723-42-6.1 Application to be Filed with the Commission. When there are multiple POLRs in a Geographic Area, telecommunications service providers seeking to relinquish designation as a Provider of Last Resort shall file with the Commission, at least 30 days before the effective date of the proposed relinquishment, an application containing a complete explanation of the proposed

relinquishment. The application shall contain an affidavit signed by an officer, a partner, an owner, or an employee, as appropriate, who is authorized to act on behalf of the applicant, stating that the contents of the application are true, accurate, and correct.

723-42-6.2 If the POLR proposes to discontinue the provision of basic local exchange service, the POLR shall file a plan for transition of its customers to another provider.

723-42-6.2.1 The transition plan filed by the POLR shall include sufficient notice to permit the purchase or construction of adequate facilities by a remaining POLR or other provider.

723-42-6.2.2 The Commission shall establish a time, not to exceed one year after the approval of the discontinuance, within which such purchase or construction shall be completed.

723-42-6.2.3 During this transition period, the POLR must ensure that customers do not experience a break in service as a result of the POLR discontinuing service.

723-42-6.3 Notice to Customers. In addition to filing an application with the Commission, the POLR shall prepare a written notice stating the proposed discontinuance, and its proposed effective date, and shall mail or deliver the notice at least 30 days before the effective date to all presently served customer or subscribers, including all interconnecting telecommunications providers. The POLR shall separately provide notice to all potentially affected customers through publication for four consecutive weeks in a publication or publications which are distributed in the certificated area affected. A notice shall be mailed to the Board of County Commissioners of each affected county, and to the Mayor of each affected city, town or municipality.

723-42-6.3.1 Form of Notice. The notice required by Rule 6.4 above shall contain the information in Form A.

723-42-6.3.2 Proof of Public Notice. Within 15 days before the date of the proposed discontinuance, the POLR shall file with the Commission a written affidavit stating its compliance with this rule. The affidavit shall state the date notice was completed and the method used to give notice. A copy of the notice shall accompany the affidavit.

723-42-6.4 No hearing needs to be held if no objection, pro-test or intervention is filed. If a hearing is to be held on an application, the Commission shall endeavor, within its operating constraints, hold the hearing, or a portion thereof, at a location within the local calling area of the affected community.

723-42-6.5 No proposed discontinuance shall be effective until a Commission order approving it has been entered.

RULE 4 CCR 723-42-7. ELIGIBLE TELECOMMUNICATIONS CARRIER (ETC) DESIGNATION. Telecommunications providers seeking designation as an Eligible Telecommunications Carrier (ETC) shall file an application with the Commission requesting designation as an ETC for a Geographic Area.

723-42-7.1 Contents of Application. The application shall contain, in the following order and specifically identified, the following information, either in the application or in appropriately identified attached exhibits:

723-42-7.1.1 A statement identifying the decision(s) of this Commission and/or the Federal Communications Commission (FCC) authorizing the applicant to provide telecommunications service.

723-42-7.1.2 A statement describing the Geographic Area for which applicant seeks designation as an ETC. If designation for a specific

Geographic Area, rather than a statewide designation, is sought, the application shall contain a description of such Geographic Area by metes and bounds and a map displaying the service area;

723-42-7.1.3 A statement of the facts (not in the form of conclusory statements) relied upon by the applicant to demonstrate that it has the managerial, financial and technical ability to provide basic local exchange service throughout that relevant Geographic Area notwithstanding whether there are other providers in that area;

723-42-7.1.4 An affirmative statement that the applicant will offer the services that are supported by the Federal universal service support mechanisms under 47 U.S.C. 254(c);

723-42-7.1.5 An affirmative statement that the applicant is a Common Carrier; and,

723-42-7.1.6 An affirmative statement that the applicant will advertise the availability of such service and the charges therefore using media of general distribution. At a mini-mum, an ETC must have customer guide pages in the "White Pages" Directory within the ETC's Geographic Area. Such customer guide pages shall indicate that the provider will offer basic local exchange service to all who request such service within that area.

723-42-7.2 Processing of Applications. The Commission will process applications in accordance with the Rules of Practice and Procedure found at 4 CCR 723-1.

RULE 4 CCR 723-42-8. RELINQUISHMENT OF ETC DESIGNATION.

723-42-8.1 Application to be Filed with the Commission. When there are multiple ETCs in a Geographic Area, providers seeking to relinquish designation as

an ETC shall file with the Commission, at least 30 days before the effective date of the proposed relinquishment, an application containing a complete explanation of the proposed relinquishment. The application shall contain the same information as required in Rule 6.1.

723-42-8.2 Processing of Applications. Applications to relinquish an ETC designation shall be processed in accordance with the Rules of Practice and Procedure found at 4 CCR 723-1.

723-42-8.3 The Commission shall permit an ETC to relinquish its designation as an ETC in any area served by more than one ETC when the Commission concludes that the requirements of Rule 8.1 have been met.

RULE 4 CCR 723-42-9. COMBINED APPLICATIONS. Applicants may file to be designated as a POLR and to be designated as an ETC in a combined application. Similarly, applicants may file to relinquish designation as a POLR and to relinquish designation as an ETC in a combined application. In a combined application, the applicant shall follow the application process and must provide all information required for each separate component of the combined application.

RULE 4 CCR 723-42-10. VARIANCE AND WAIVER. The Commission may permit variance or waiver from these rules, if not contrary to law, for good cause shown if it finds that compliance is impossible, impracticable or unreasonable.

4 CCR 723-42-FORM A - Notice of a discontinuance or curtailment of basic local exchange service by a POLR or discontinuance of POLR designation

NOTICE OF [NAME OF PROVIDER]'S INTENT TO [STOP OFFERING BASIC LOCAL TELEPHONE SERVICE IN YOUR AREA or REMOVE PROVIDER OF LAST RESORT DESIGNATION]

[Name of provider] has asked the Colorado Public Utilities Commission (PUC) for approval to [stop offering basic local telephone service or remove its provider of last resort designation] in your area effective on [date]. [Name of provider] proposes to [stop offering local telephone service or remove its provider of last resort designation] in your area as follows: [provide details of proposal here including the list of alternative providers].

Anyone may object to this proposal by sending a letter to the Colorado Public Utilities Commission, 1580 Logan St., OL2, Denver, CO 80203. You may also object to this proposal by calling the PUC at [phone numbers].

Your written objection by itself does not allow you to participate as a party in any proceeding before the PUC on this proposal. If you want to actively participate as a party to any proceeding, you must submit a written request to the PUC at the above address at least 10 calendar days before the proposed effective date of [date]. Your written request to intervene must follow Rules 20, 21, and 22 of the Commission's Rules of Practice and Procedure and any other rules that apply. You can request a copy of these rules from the Commission.

The PUC may hold hearings on [name of provider]'s proposed actions. If the Commission holds hearings, it will decide what actions, if any, are allowed. Members of the public may attend any hearing and make a statement under oath about the proposed action even if they did not submit a written objection or intervention.

If you want to know if and when hearings are held, please submit a written request to the PUC at the above address. Your written request for hearing notice must be submitted to the PUC at least 10 calendar days before the proposed effective date of [date].

Please be assured that basic local telephone service will still be available to you whatever the outcome of [name of provider]'s requested action. If [name of provider]'s request to stop offering local telephone service is granted, another telephone company will offer service to you.

by: [name, title and address of officer]

IN THE MATTER OF
FEDERAL-STATE JOINT BOARD
ON UNIVERSAL SERVICE
CC DOCKET NO. 96-45
FCC 96-93

CERTIFICATE OF SERVICE

I hereby certify that an original and four copies of the above and foregoing Comments of the Colorado Public Utilities Commission Staff in the Matter of the Federal-State Joint Board on Universal Service, was sent via Federal Express on this 11th day of April, 1996, to the following:

Office of the Secretary,
Federal Communications Commission
1919 M Street, N.W.
Washington, DC 20554.

One copy was also sent via Federal Express to International Transcription Service, Room 640, 1990 M Street, N.W., Washington, DC 20036. A diskette copy was sent to Ernestine Creech, Common Carrier Bureau, Accounting and Audits Division, 2000 L Street, N.W., Suite 257, Washington, DC 20554.

and a true and correct copy has been deposited in the United States mail, postage prepaid, addressed to the following:

The Honorable Reed E. Hundt, Chairman
Federal Communications Commission
1919 M Street, NW -- Room 814
Washington, DC 20554

The Honorable Andrew C. Barrett, Commissioner
Federal Communications Commission
1919 M Street, NW -- Room 826
Washington, DC 20554

The Honorable Susan Ness, Commissioner
Federal Communications Commission
1919 M Street, NW -- Room 832
Washington, DC 20554

The Honorable Julia Johnson, Commissioner
Florida Public Service Commission
Capital Circle Office Center
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Tallahassee, FL 32399-0850

The Honorable Kenneth McClure, Vice Chairman
Missouri Public Service Commission
301 W. High Street, Suite 530
Jefferson City, MO 65102

The Honorable Sharon L. Nelson, Chairman
Washington Utilities & Transportation Commission
P. O. Box 47250
Olympia, WA 98504-7250

The Honorable Laska Schoenfelder, Commissioner
South Dakota Public Utilities Commission
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